

**SUPPLEMENT DATED 10 NOVEMBER 2014 TO THE BASE PROSPECTUS  
DATED 21 JULY 2014**

**REN – Redes Energéticas Nacionais, SGPS, S.A.**

and

**REN FINANCE B.V.**

**EUR 5,000,000,000**

**Euro Medium Term Note Programme**

This Supplement (the "**Supplement**") is supplemental to, forms part of and must be read and construed in conjunction with, the base prospectus dated 21 July 2014 (the "**Base Prospectus**") prepared by REN – Redes Energéticas Nacionais, SGPS, S.A. ("**REN**") and REN Finance B.V. ("**REN B.V.**" and together with REN, the "**Issuers**" and each an "**Issuer**") in connection with their Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to EUR 5,000,000,000 in aggregate principal amount of notes ("**Notes**"). The Notes issued by REN B.V. will not be guaranteed by REN but REN B.V. has the benefit of the Keep Well Agreement executed by REN. Terms given a defined meaning in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

This Supplement constitutes a supplement to the Base Prospectus for the purposes of Article 16 of Directive 2003/71/EC and amendments thereto including Directive 2010/73/EU (the "**Prospectus Directive**"), and has been approved by the Central Bank of Ireland (the "**Central Bank**") as competent authority for the purpose of the Prospectus Directive. The Central Bank only approves this Supplement as meeting the requirements imposed under EU and Irish law pursuant to the Prospectus Directive.

## **IMPORTANT NOTICES**

REN B.V. as Issuer and REN in its capacities as Issuer and as Keep Well Provider each accept responsibility for the information contained in this Supplement and declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no significant new fact, material mistake or inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of the Notes issued under the Programme has arisen or been noted, as the case may be, since publication of the Base Prospectus.

## **AMENDMENTS OR ADDITIONS TO THE BASE PROSPECTUS**

With effect from the date of this Supplement the information appearing in, or incorporated by reference into, the Base Prospectus shall be amended and/or supplemented in the manner described below.

### **DOCUMENTS INCORPORATED BY REFERENCE**

A copy of:

- (a) a direct and accurate English translation of the unaudited consolidated financial statements of the Group for the nine month period ended 30 September 2014, available for viewing at [http://www.ren.pt/investidores/resultados/relatorios\\_e\\_contas\\_trimestrais\\_semestrais/?culture=en-GB](http://www.ren.pt/investidores/resultados/relatorios_e_contas_trimestrais_semestrais/?culture=en-GB); and
- (b) a direct and accurate English translation of the consolidated financial statements and the notes thereto in respect thereof for the six month period ended 30 June 2014, including the auditor's limited review, available for viewing at [http://www.ren.pt/investidores/resultados/relatorios\\_e\\_contas\\_trimestrais\\_semestrais/?culture=en-GB](http://www.ren.pt/investidores/resultados/relatorios_e_contas_trimestrais_semestrais/?culture=en-GB),

have been filed with the Central Bank and are incorporated by reference and form part of this Supplement in their entirety.

## SUMMARY OF THE PROGRAMME

The Summary of the Programme on pages 2-4 should be read subject to the following changes:

B.12

Selected Key Financial Information:

Income Statement

The table below sets out summary information extracted from the Group's audited income statement for each of the two years ended 31 December 2013 and 31 December 2012 and the nine months ended 30 September 2014 and September 2013<sup>1</sup>:

Consolidated Income Statement

	Nine months ended 30 September		Year ended 31 December	
	2014	2013	2013	2012
(thousands of euro)	Unaudited		Audited	
Operating income .....	504,250	551,446	788,845	811,287
Operating costs .....	(281,086)	(314,239)	(468,593)	(497,053) <sup>(1)</sup>
Operating results .....	223,164	237,206	320,252	314,234
Financial Results .....	(79,369)	(105,322)	(142,228)	(136,023)
Profit before income tax and CESE .....	143,795	131,884	178,024	178,211
Net profit for the period/year .....	84,920	89,296	121,303	123,561
Attributable to:				
Equity holders of the company .....	84,920	89,296	121,303	123,561
Non controlling interests .....	-	-	-	-
Earnings per share attributable to the equity holders of the company during the year (expressed in euro per share)				
– basic .....	0.16	0.17	0.23	0.23
– diluted .....	0.16	0.17	0.23	0.23

<sup>(1)</sup> Personnel costs for 2012 were restated (from EUR 50,340 thousand to EUR 50,671 thousand) in the consolidated financial statements for 2013, as required by IAS 19.

Statement of Financial Position

The table below sets out summary information extracted from the Group's audited statement of financial position as at 31 December 2013 and 31 December 2012 and from the Group's unaudited statement of financial position as at 30 September 2014:

<sup>1</sup> Figures for the period ended 30 September 2014 together with comparative information for the same period in the previous financial year have been included in the Summary of the Programme via this Supplement dated 10 November 2014 and are extracted from the unaudited consolidated financial statements of the Group for the nine months ended 30 September 2014.

*Consolidated Statement of Financial Position*

	<b>Nine months ended 30 September</b>	<b>Year ended 31 December</b>	
<i>(thousands of euro)</i>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>ASSETS</b>	<i>Unaudited</i>	<i>Audited</i>	
<b>Non-current assets</b> .....	4,367,821	4,302,831	4,287,552
<b>Current assets</b> .....	335,421	758,518	398,503
<b>Total assets</b> .....	<b>4,703,242</b>	<b>5,061,349</b>	<b>4,686,054</b>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the company</b>	<b>1,104,749</b>	<b>1,079,566</b>	<b>1,027,589</b>
<b>Total equity</b> .....	<b>1,104,749</b>	<b>1,079,566</b>	<b>1,027,589</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b> .....	2,835,105	3,039,654	2,117,755
<b>Current liabilities</b> .....	763,388	942,129	1,540,711
<b>Total liabilities</b> .....	<b>3,598,493</b>	<b>3,981,783</b>	<b>3,658,465</b>
<b>Total equity and liabilities</b> .....	<b>4,703,242</b>	<b>5,061,349</b>	<b>4,686,054</b>

*Statement of Profit and Loss for the year ended 31 December 2013 of REN B.V.*

	<b>Year ended 31 December 2013</b>
<i>(thousands of euro)</i>	
Interest income gross	5,022
<b>Total interest income</b> .....	<b>5,022</b>
Interest expense	(4,405)
<b>Gross margin</b> .....	<b>617</b>
Other income	764
Other expenses	(1,232)
<b>Profit before taxation</b> .....	<b>148</b>
Income tax	(30)
<b>Net profit for the year</b> .....	<b>118</b>

*Statement of financial position as of 31 December 2013 of REN B.V.*

	<b>Year ended 31 December 2013</b>
<i>(thousands of euro)</i>	
<b>ASSETS</b>	
<b>Non-current assets</b>	510,000
<b>Current assets</b>	41,765
<b>Total assets</b> .....	<b>551,765</b>
<b>EQUITY AND LIABILITIES</b>	
<b>EQUITY</b>	
<b>Shareholders' equity</b>	40,938

<b>Total equity .....</b>	<b>40,938</b>
<b>LIABILITIES</b>	
<b>Non-current liabilities</b>	506,123
<b>Current liabilities</b>	4,704
<b>Total liabilities</b>	510,827
<b>Total equity and liabilities .....</b>	<b>551,765</b>
<p>There has been no significant change in the financial or trading position of REN B.V and there has been no material adverse change in its financial position or prospects since 31 December 2013.</p> <p>There has been no significant change in the financial or trading position of the Group since 30 September 2014<sup>2</sup> and there has been no material adverse change in the financial position or prospects of REN since 31 December 2013.</p>	

## RECENT DEVELOPMENTS

On page 106 of the Base Prospectus, at the end of the section entitled Recent Developments, the following text is inserted in its entirety:

"On 28 July 2014, REN disclosed to the market that REN and GALP agreed to the partial transfer of the concession business owned by GALP.

Through REN Armazenagem, a company wholly owned by REN, REN carries out the concession business for a natural gas underground storage activity in Portugal. GALP also carries out, through its fully owned company Transgás Armazenagem, a natural gas underground storage concession business located at Carriço, Pombal. The partial transfer of the concession business agreed to by the parties includes the transmission of GALP's two existing cavities, the right for the construction of two additional cavities, and the rights and obligations associated with each of these assets. The transfer is to be formalized by a partial business transfer of Transgás Armazenagem's natural gas underground storage concession business in favour of REN Armazenagem.

This transaction is subjected to applicable legal and contractual approvals and the confirmation that no regulatory changes will occur resulting from this transaction. The price to be paid for the partial concession business transfer is estimated to be EUR 71,742,329.47, with 30 June 2014 as a reference date with the value remaining subject to adjustment depending on the actual closing date of the transaction.

Further to the announcement on 13 May 2014, that Moody's placed REN's Ba1 rating on review for upgrade, on 30 July 2014 REN disclosed to the market that Moody's decided to

<sup>2</sup> The equivalent statement in the Base Prospectus dated 21 July 2014 refers to the date of the unaudited consolidated financial statements of the Group for the three month period ended 31 March 2014. This statement is updated to reflect the release of the unaudited consolidated financial statements of the Group for the nine month period ended 30 September 2014.

upgrade the senior unsecured debt and issuer ratings of REN and REN B.V. to Baa3. The outlook for all ratings as at that date was stable.

On 9 September 2014, ERSE issued a decision regarding the Certification of REN and REN Gasodutos as electricity transmission and natural gas grid operators, under a full ownership unbundling, conditional upon compliance with a set of certification conditions meant to grant the operators independence, within eight months.

The conditions imposed include:

- Restrictions concerning shareholders of REN: the shareholders that control companies whose object is the generation or supply of electricity or the production or supply of natural gas, are prevented from exercising any rights held in REN, notwithstanding their right to receive dividends, unless when the absence of conflicts of interests is recognised by the certifying entity;
- Restrictions concerning members of the Board of Directors of REN and the RNT Operators , which:
  - cannot be appointed by shareholders that control or hold rights over companies whose object is the generation or supply of electricity or the production or supply of natural gas; and
  - are not allowed to be part of corporate bodies in companies whose object is the generation or supply of electricity or the production or supply of natural gas;
- Amendment to the REN's by-laws, in order to comply with the restrictions included in the two bullets above; and
- Communication to ERSE, in a timely manner, of any material change that involves the conditions that were analysed within the certification proceedings.

ERSE's decision defines additional measures of functional unbundling, as per the situation of REN Trading, and of supervision of the activities developed by REN Group, and also makes reference to the current shareholders of REN and the members of the Board of Directors and Supervisory Board of REN and the RNT Operators. ERSE will monitor the compliance with the certification conditions over the eight-month period following the date of the decision.

On 15 October 2015, REN disclosed to the market the content of the letter issued by ERSE regarding its proposal on the tariffs and prices for electricity for 2015 and parameters for the 2015-2017 regulatory period. Such proposal remains subject to the opinion of the committee at ERSE responsible for tariff matters. The final transmission tariff values are to be published on 15 December 2014.